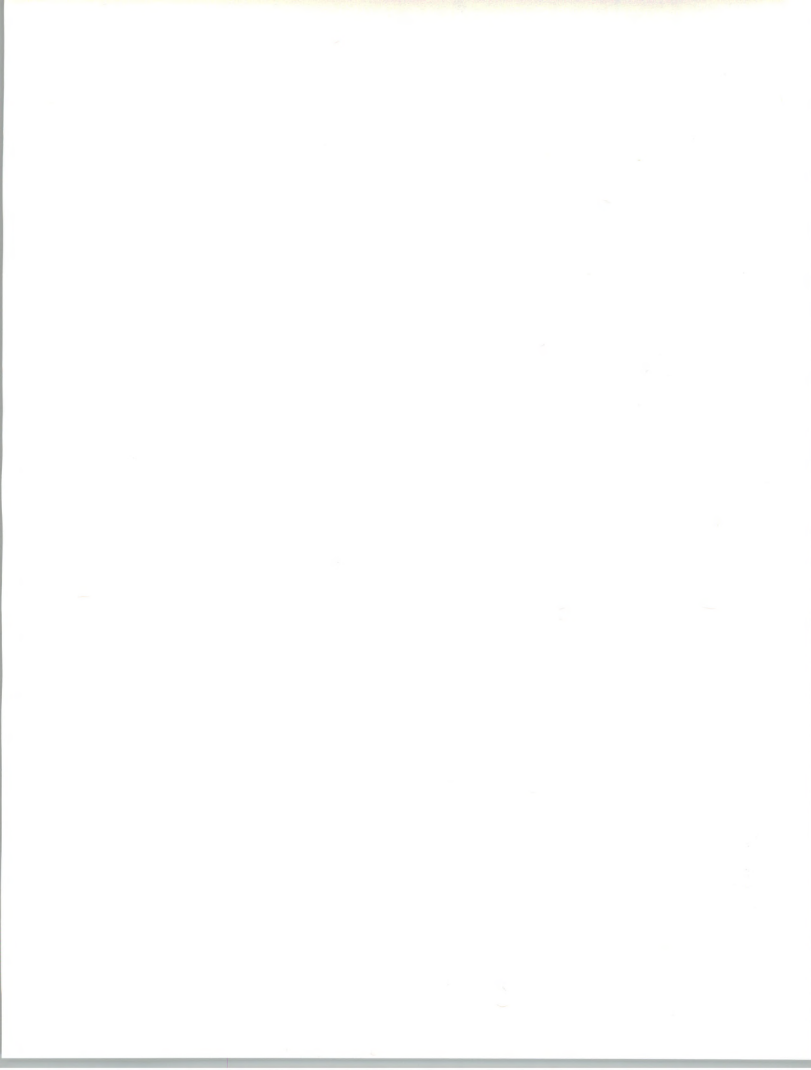


Health Services Market

*Make this
a foil
but use
other title
page for
binder*

Rob Elmore
INPUT Consultant



Health Services Market

Rob Elmore
INPUT Consultant

Key Medical Industry Issues

- Medical cost containment
- Services: Oversupply and shortages
- Adapting to managed care pricing and documentation
- Achieving profits—or breaking even
- Federal health care reform

MC3-RE-1

Controlling Medical Costs

- Medical cost increases, federal responses
- PPS- and DRG-based federal payments
- Medicare reimbursement patterns

MC3-RE-2a



Controlling Medical Costs

- Managed care initiatives by business
- Hospitals: Inpatient versus outpatient services

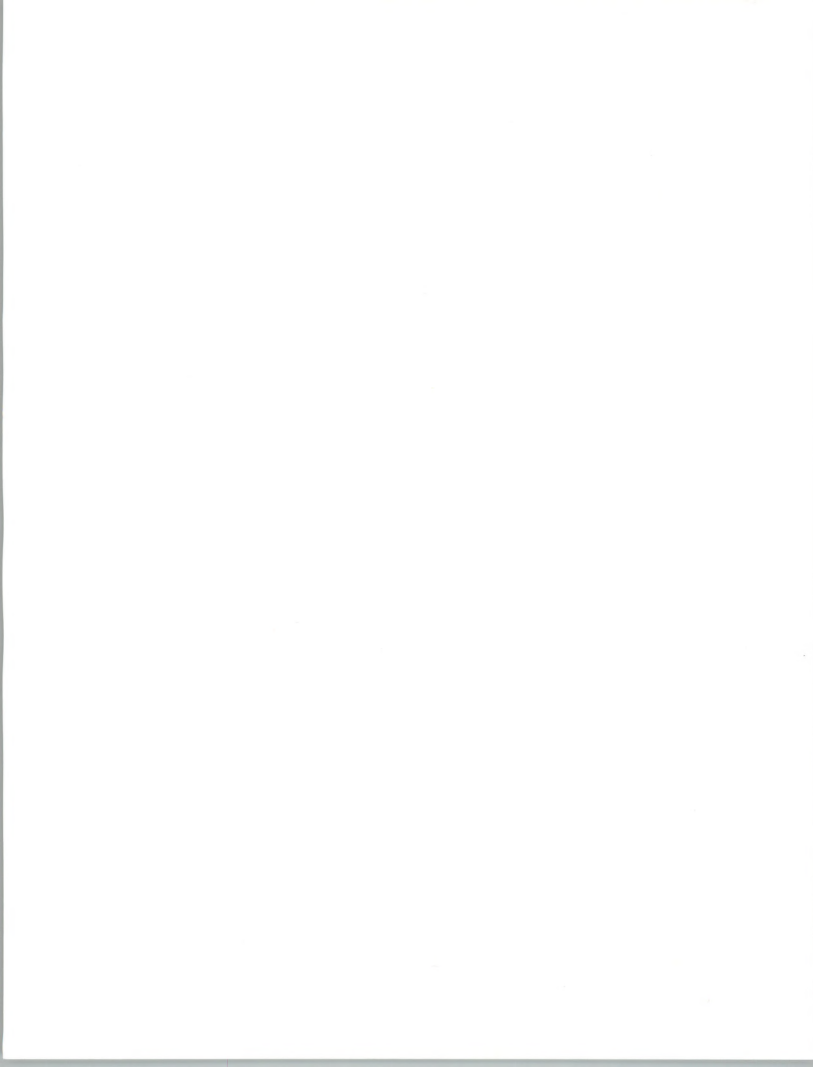
MC3-RE-2b



Variations in the Supply of Medical Services

- National oversupply of hospital beds
- Urban areas: Public hospitals in distress
- Unbalanced specialization of doctors
- The plight of the uninsured

MC3-RE-3



Managed Care: The New Financial Realities

- Setting the pattern: Federal DRGs and the PPS
- Business-oriented HMOs and PPOs
- Evolving patterns of managed care

MC3-RE-4a

Managed Care: The New Financial Realities

- Documentation issues
- Financial impacts of managed care
- Other impacts

MC3-RE-4b

Medical Industry Profitability Issues

- Competition among payers
- The impact of Medicare and managed care reimbursements

MC3-RE-5a



Medical Industry Profitability Issues

- The status of non-profit hospitals
- For-profit hospital chains
- Reimbursement squeezes on doctors and clinics

MC3-RE-5b



Federal-level Reform: Issues and Likely Outcomes

- President Clinton's commitment
- The core issues of reform
- June 1993 outlook
- Trial balloons and alternatives
- Uncertainties

MC3-RE-6



Hot Technologies for Medical Services

- Patient-care/medical records information systems
- Smart cards
- LAN-based/optical fiber medical community networking

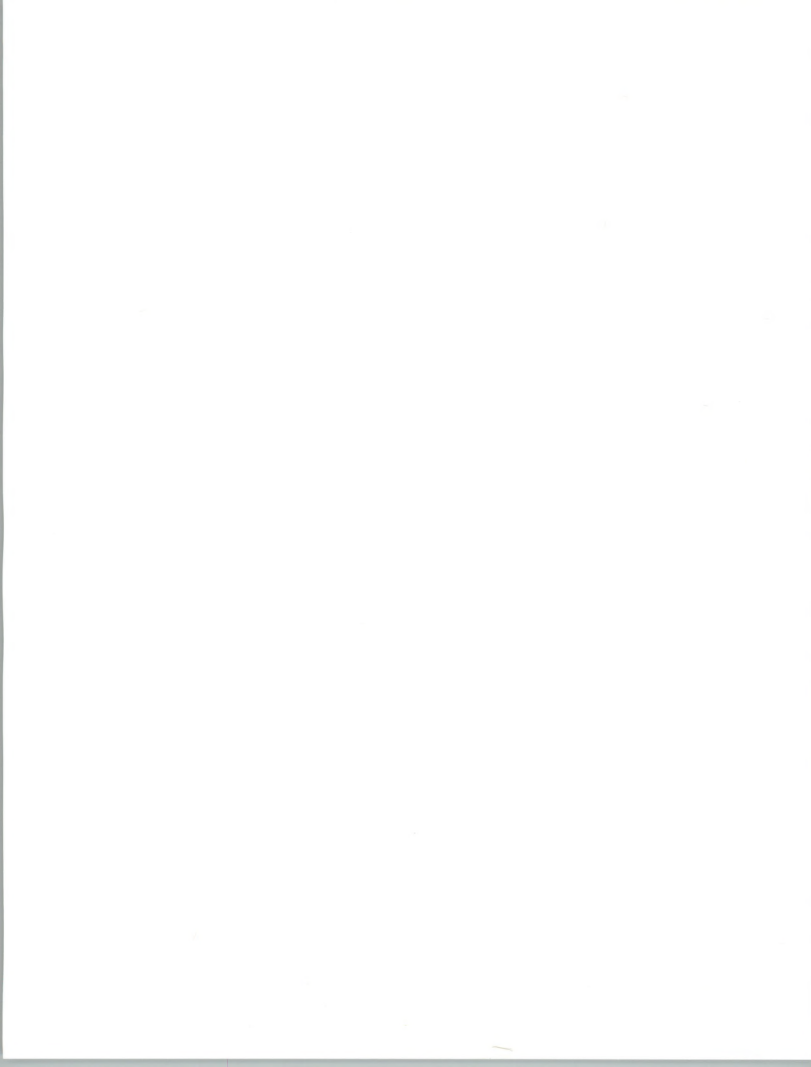
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Hot Technologies for Medical Services

- Non-LAN medical community networking
- “Open systems” networking
- Client/server networked workstations
- Image storage and access

MC3-RE-7b



Hot Technologies for Medical Services

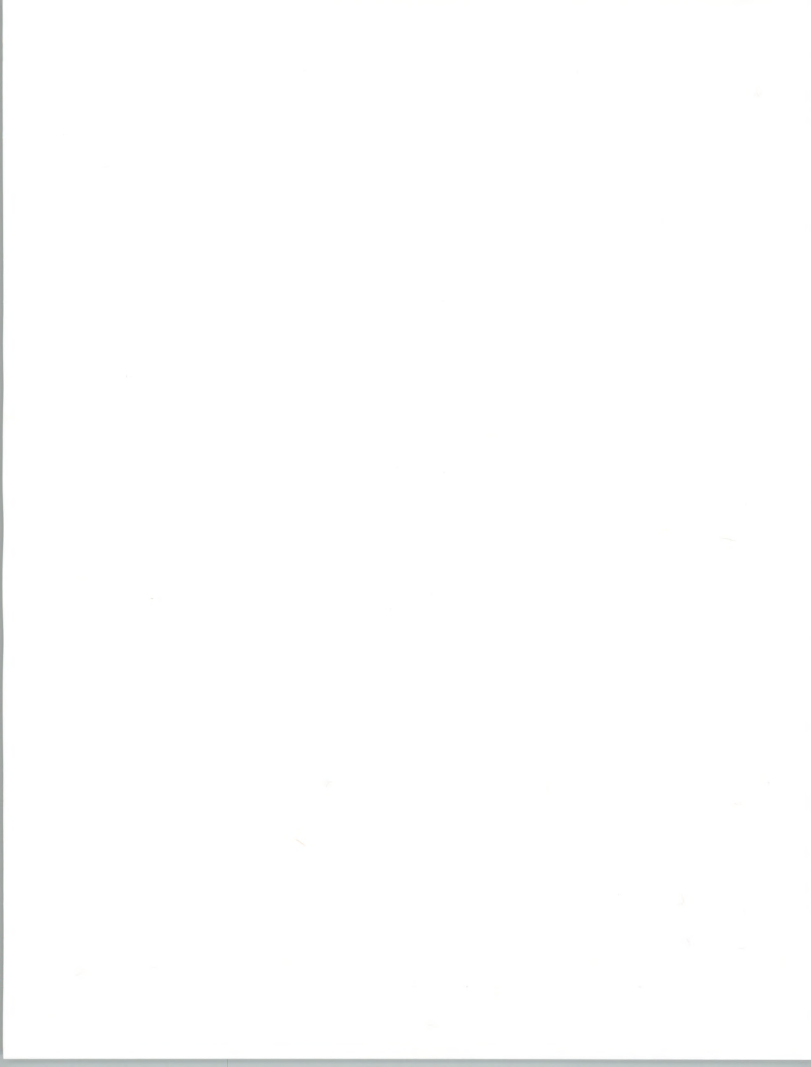
- Physician information systems
- Touch-screen technology
- Tablet/pen-based/radio-connected portable systems
- Expert systems

MC3-RE-7c

Hot Technologies for Medical Services

- Voice recognition
- Executive information systems
- RDBMSs
- EDI

MC3-RE-7d



Leading User Needs

- Costs and revenues
 - Adapting to managed care
 - Tracking and containing costs
 - Cutting clinical costs
 - Documenting care

MC3-RE-8a



Leading User Needs

- Costs and revenues
 - Connecting clinical and administrative systems
 - Billing electronically
 - Identifying unprofitable services
 - Marketing services under “managed competition”

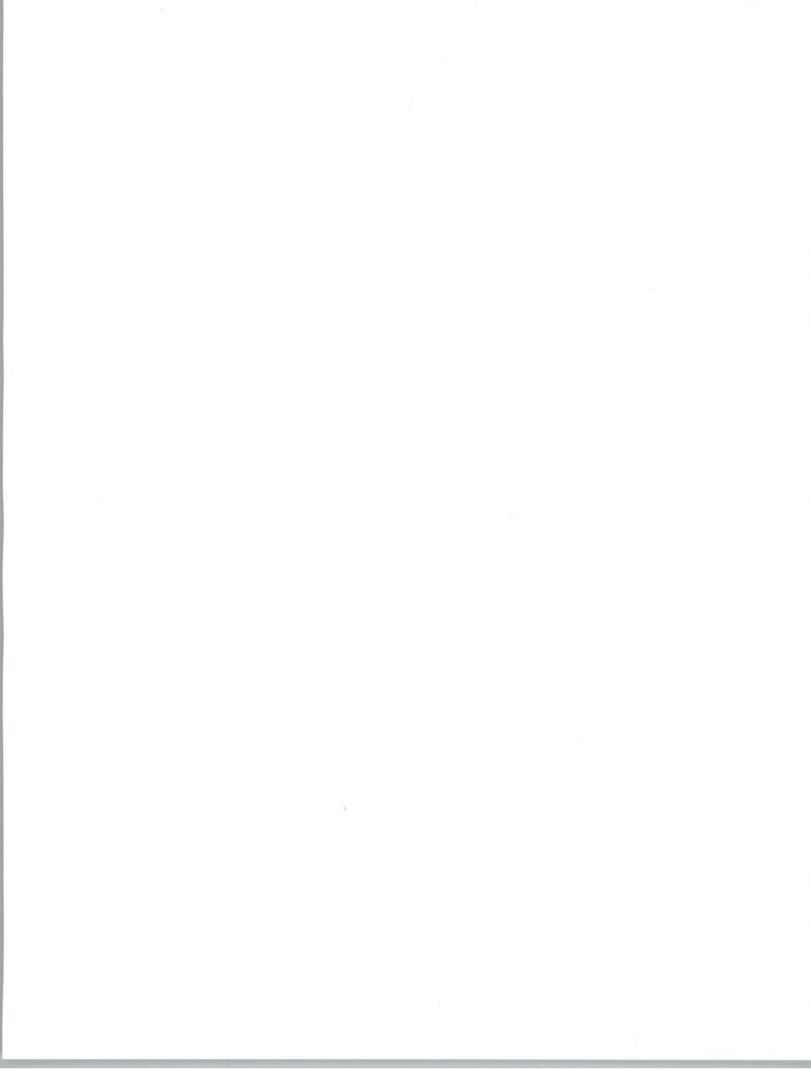
MC3-RE-8b



Leading User Needs

- Service needs
 - Boosting professional support
 - Integrating departmental systems
 - Speeding access to records
 - Networking the hospital
 - Networking doctors and hospitals

MC3-RE-8c



Leading User Needs

- Implementation
 - Implementing systems internally versus buying outside services
 - Medical equipment versus information systems

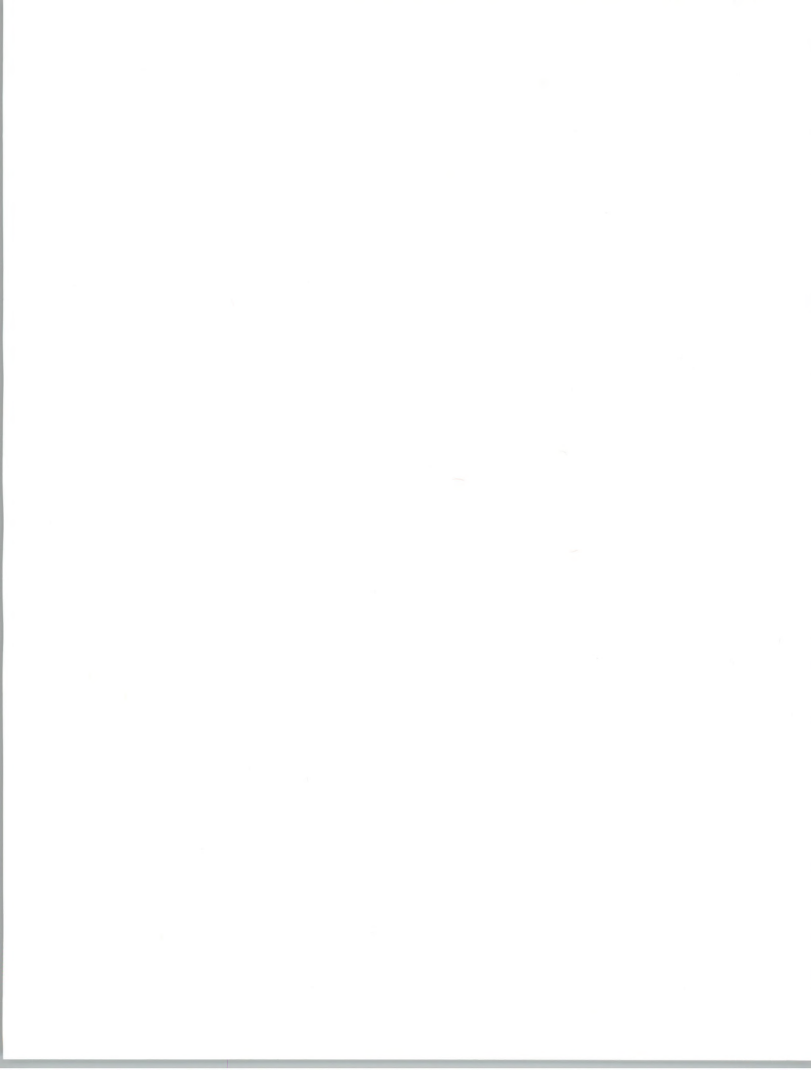
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User Concerns Regarding New Medical Info. Systems

- New systems and their integration
- Professional-level systems:
Design and use
- Privacy issues
- Marketing and cost implications
of networking

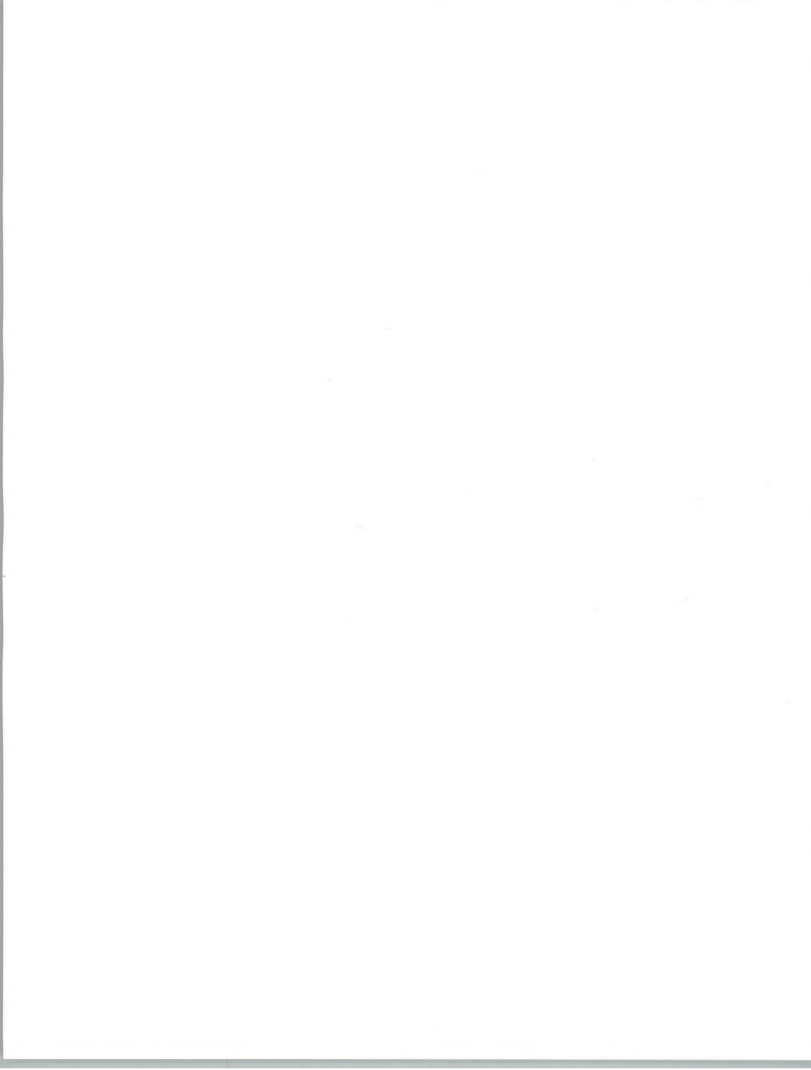
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Opportunities and Challenges in Patient-Care Systems

- Electronic charting
- Systems use by medical professionals
- Flexible electronic records access
- Networking multiple systems
- Mixing data, plots, and images
- Longitudinal electronic medical records

MC3-RE-10



Hospital Financial Information Systems

- Documenting services
- Profitability analysis and marketing planning
- Tracking outcomes; evaluating treatments

MC3-RE-11



Information Services Driving Forces

- Cost control and accountability
- Reimbursement dynamics
- Patient-care systems
- Documenting outcomes

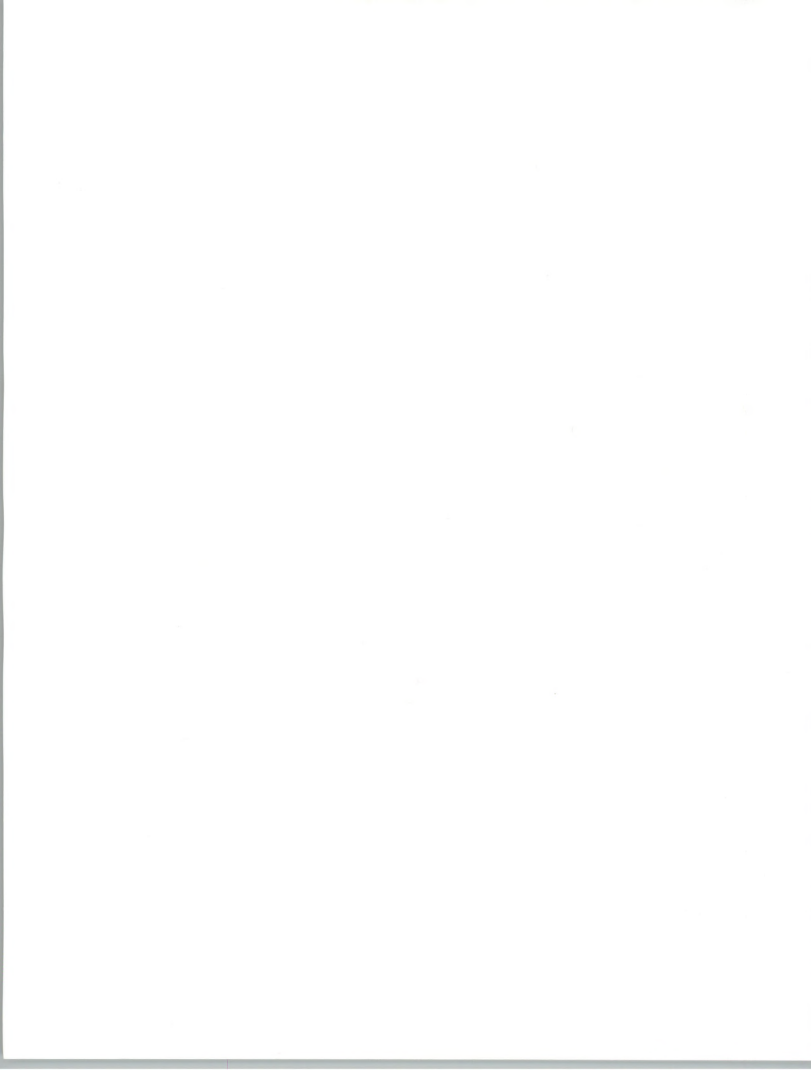
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Information Services Driving Forces

- Local and community networking
- Executive information systems
- Systems upgrading and integration
- Experience with outside solutions

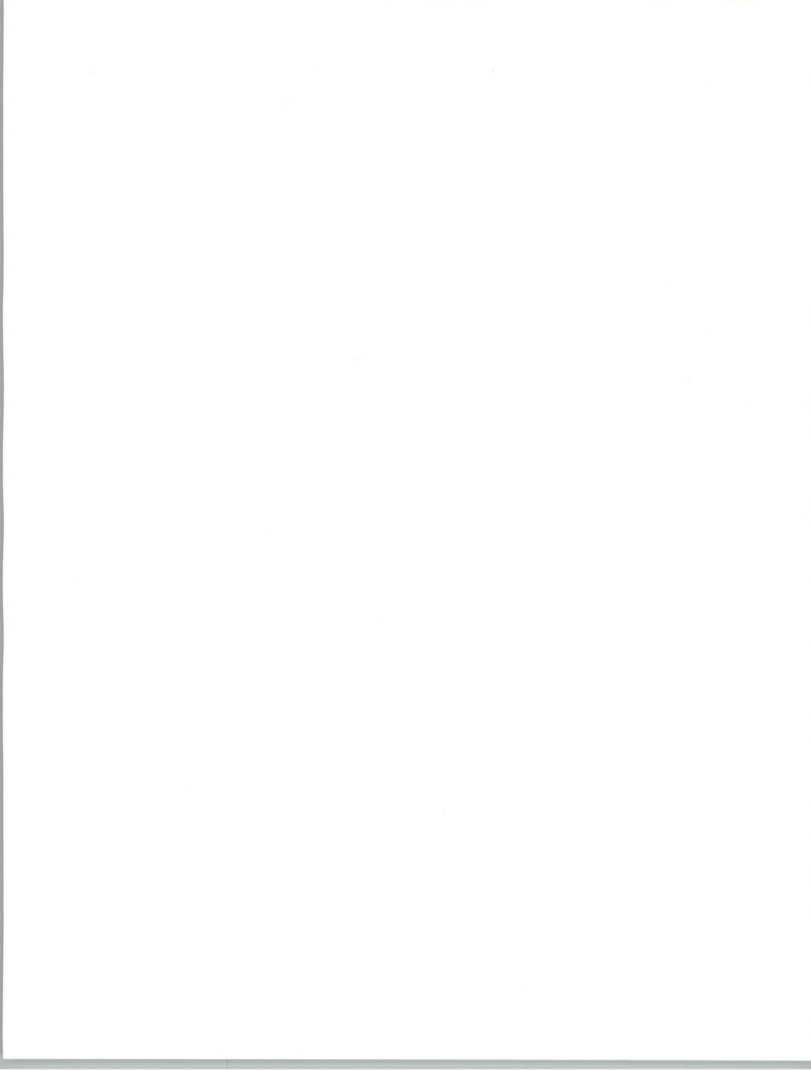
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Information Services Inhibiting Factors

- Departmental and old central systems
- Networking obstacles
- Limited in-house experience
- Costly, pioneering new technologies

MC3-RE-13a



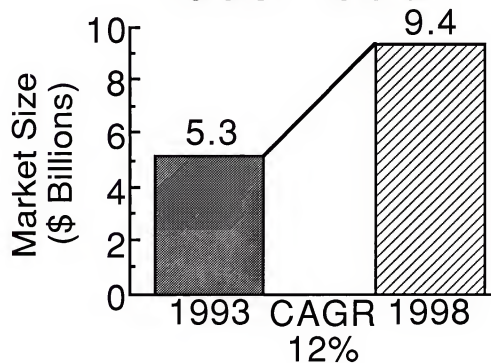
Information Services Inhibiting Factors

- Unproven benefits
- Professional resistance
- Expense constraints
- Competing capital investments

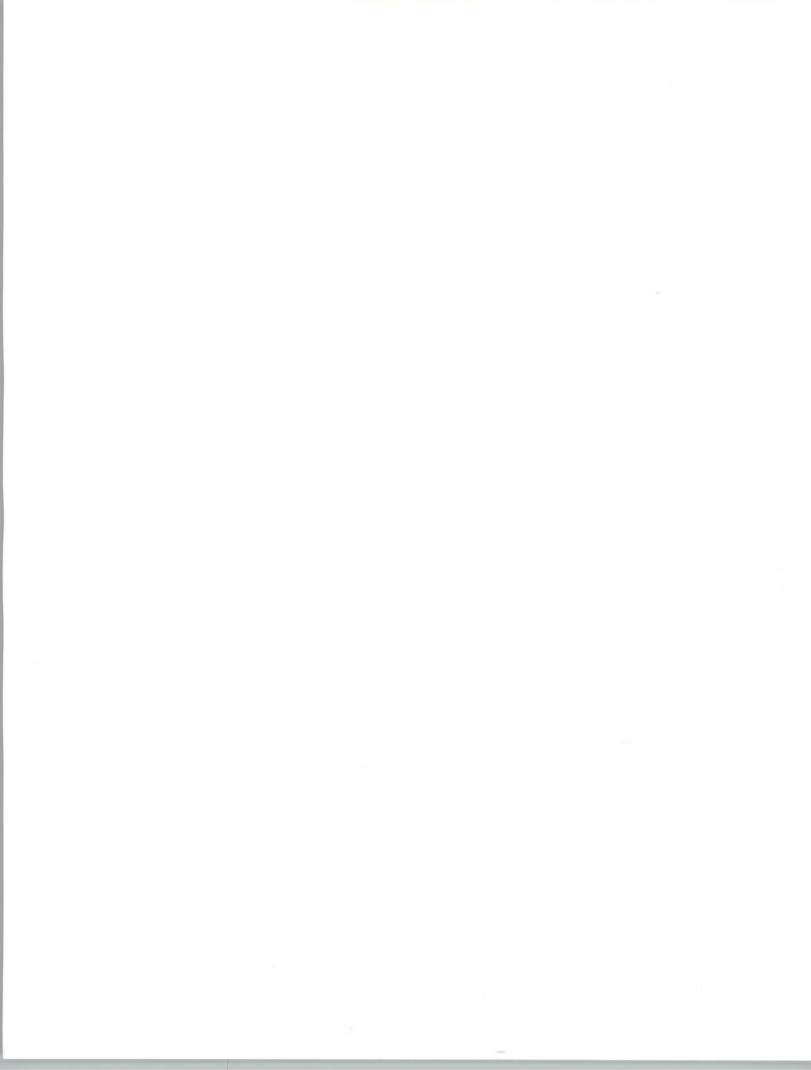
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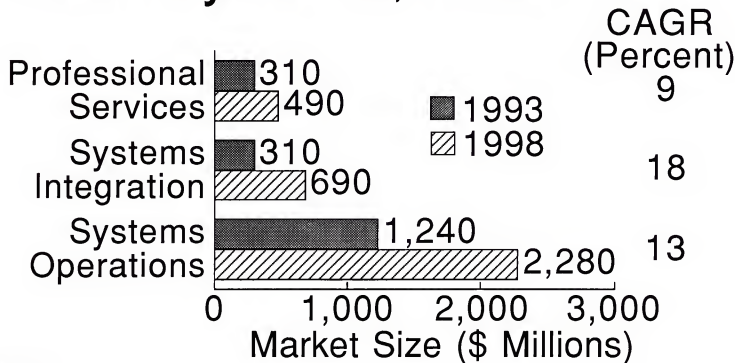
Health Services Market 1993-1998



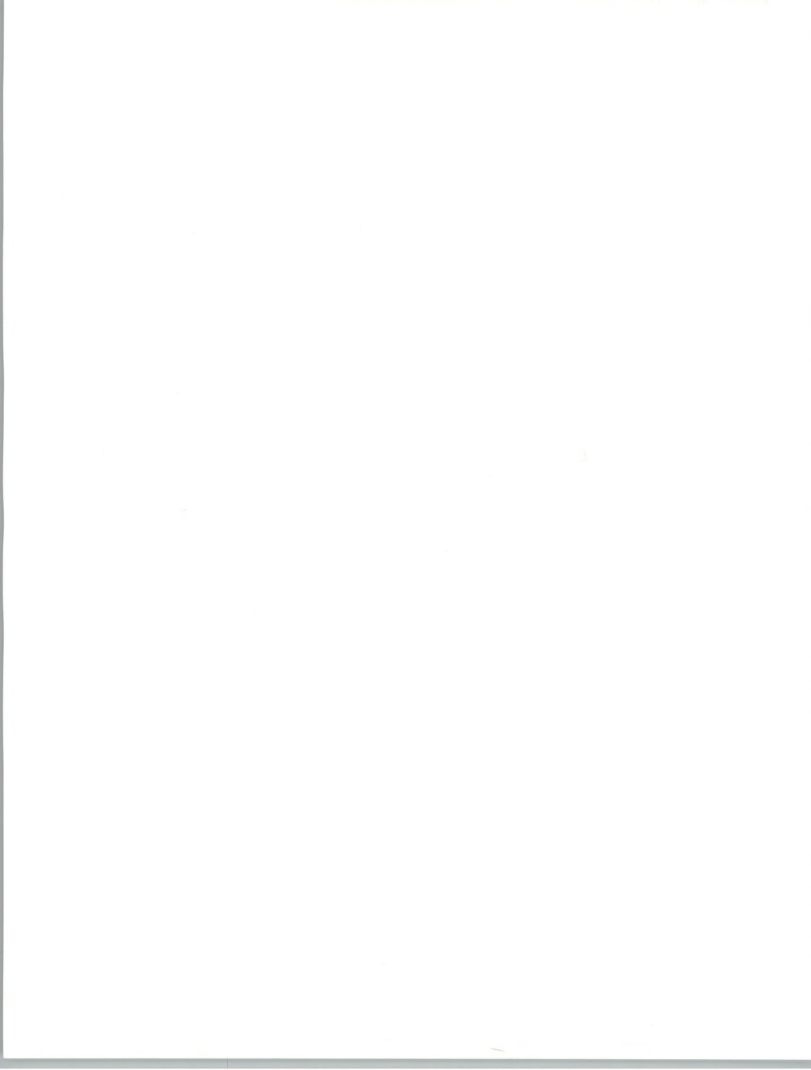
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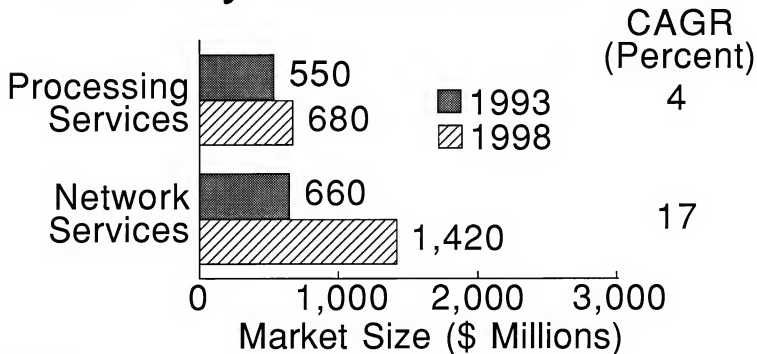
Health Services Market by Delivery Mode, 1993-1998



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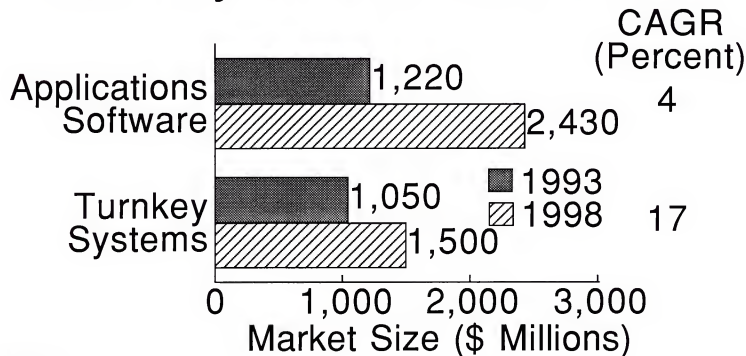


Health Services Market by Delivery Mode, 1993-1998



MC3-RE-15b

Health Services Market by Delivery Mode, 1993-1998



MC3-RE-15c



ROB ELMORE
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PROFILE

Rob Elmore is the Director of Market Networks, a Santa Cruz, California consulting firm. Mr. Elmore's professional background covers almost 20 years in computer systems sales, marketing, and consulting, including positions with Burroughs Corporation in New York City, and with Tymnet/Tymshare and Syntelligence in Silicon Valley.

As an independent consultant for the past five years, Mr. Elmore has conducted a wide range of small, mid-sized, and large-scale marketing consulting projects, many of them on contract to INPUT. These projects have included competitive analyses, vertical market analyses, vendor surveys, user needs and software environment analysis, technology and market opportunity analyses, and a major multi-client analysis of leading-edge software opportunities. His most recent project for INPUT was the 1993-1998 Health Services vertical market analysis.



